

Washington, DC – Many local small businesses may soon be eligible for interest-free loans under a new program created by the American Recovery and Reinvestment Act (ARRA), Rep. Gonzalez announced today. The newly launched “America’s Recovery Capital” (ARC) program allows small firms to take out loans of \$35,000 to pay down existing business debts. Borrowers pay no interest on the ARC loans and repayment does not begin for one year. The loan program was established through the ARRA, which the President signed into law in February.

“Small businesses are the backbone of our nation's economy and create 60 to 80 percent of new jobs.” said Rep. Gonzalez. “Many small businesses are in need of cash to pay off existing debts or risk going out of business. The ARC program is there to help and provides the tools and resources small businesses need to continue to thrive and create new jobs.”

To qualify for the ARC loans, small firms must demonstrate they are experiencing immediate financial hardship due to the economic downturn, but are otherwise deemed by the Small Business Administration (SBA) to be viable. The loans will be made by commercial lenders and can be used for payments of principal and interest for existing, qualifying small business debts like credit card obligations, mortgages, lines of credit, and balances due to suppliers, vendors, and utilities.

“The ARC loan program will help small companies access capital at affordable rates and keep business going,” added Rep. Gonzalez. “You can find out more about applying for the ARC loans by visiting The San Antonio District SBA office, which also provides counseling and technical assistance to area businesses. The ARC loan program is one element in a whole series of initiatives in the Recovery Act aimed at giving small business the support they need and getting our economy back on track.”

Additional information about the ARC loan program is available at <http://www.sba.gov/recovery/arcloanprogram/index.html>

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